MANM4000
Introduction to Management

Leadership
Lecture 9

KAPLAN BUSINESS SCHOOL AUSTRALIA

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Assignment 2 information

- Executive Summary
- Table of contents.
- Introduction (only one introduction is required for the report).
- Section 1: (around 500 words) Issues
- Section 2: (around 1500 words): Presenting a **detailed critical analysis** of your team experience
- Section 3: (around 500 words): Based on these findings outline **what can be improved**
- Conclusion (only one conclusion is required for the report).
- References

- PLEASE FOLLOW THIS FORMAT AS THE RUBRIC IS DESIGNED FOR EACH SECTION. Give your results in section one and do not repeat yourself. Section 2 is the most valuable part; make sure you do not be descriptive under this section!!!

Learning Objectives

- Understand what is a leader vs leadership
- Describe & evaluate theories on leadership
- Understand how theories can be used to manage issues that affect leadership

Leader and leadership

- A leader
  - someone who can influence others and who has managerial authority
- Leadership
  - the process of influencing a group to achieve goals
- Because leading is one of the four management functions, ideally all managers should be leaders

A true leader:
https://www.youtube.com/watch?v=t3DDjeVeJu4

Leadership Theories

ALL the theories relating to leadership are important and you will need to be able to draw on them in a number of circumstances

Early theories of leadership

- **Trait** theories
  - leadership theories that tried to isolate characteristics that **differentiated leaders from non-leaders:**
    - intelligence, charisma, decisiveness, enthusiasm, strength, bravery, integrity and self-confidence.

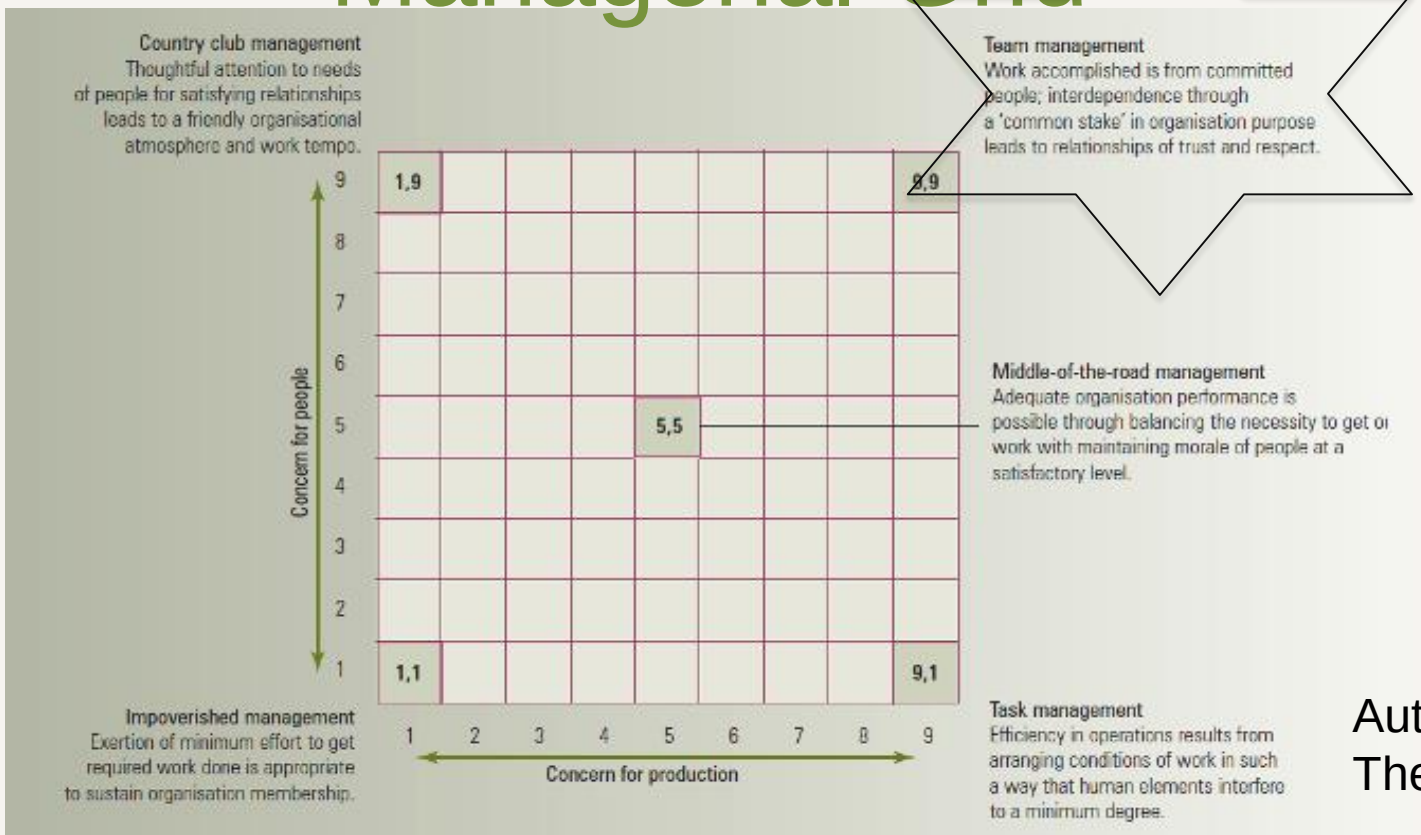
Early theories of leadership

TABLE 18.2 Behavioural theories of leadership

	BEHAVIORAL DIMENSION	CONCLUSION
University of Iowa	*Democratic style*: involving subordinates, delegating authority, and encouraging participation *Autocratic style*: dictating work methods, centralising decision making and limiting participation *Laissez-faire style*: giving group freedom to make decisions and complete work	Democratic style of leadership was most effective, although later studies showed mixed results
Ohio State	*Consideration*: being considerate of followers' ideas and feelings *Initiating structure*: structuring work and work relationships to meet job goals	High-high leader (high in consideration and high in initiating structure) achieved high subordinate performance and satisfaction, but not in all situations
University of Michigan	*Employee oriented*: emphasised interpersonal relationships and taking care of employees' needs *Production oriented*: emphasised technical or task aspects of job	Employee-oriented leaders were associated with high group productivity and higher job satisfaction
Managerial grid	*Concern for people*: measured leader's concern for subordinates on a scale of 1 to 9 (low to high) *Concern for production*: measured leader's concern for getting job done on a scale of 1 to 9 (low to high)	Leaders performed best with a 9.9 style (high concern for production and high concern for people)

Early theories of leadership

Managerial Grid



Theory Y

Autocratic
Theory X

Source: Reprinted with permission from *Harvard Business Review*. An exhibit from 'Breakthrough in organization development', by Robert R. Blake, Jane S. Mouton, Louis B. Barnes and Larry E. Greiner, November–December 1964, p. 136. Copyright © 1964 by the President and Fellows of Harvard College. All rights reserved.

Early theories of leadership

- Behavioural theories
  - **no consistent relationship** between leadership behaviour and performance indicators of production, efficiency and satisfaction.
  - predicting leadership success more **complex** than isolating a few leader traits or preferable behaviours.
  - no consideration of **situational factors**.

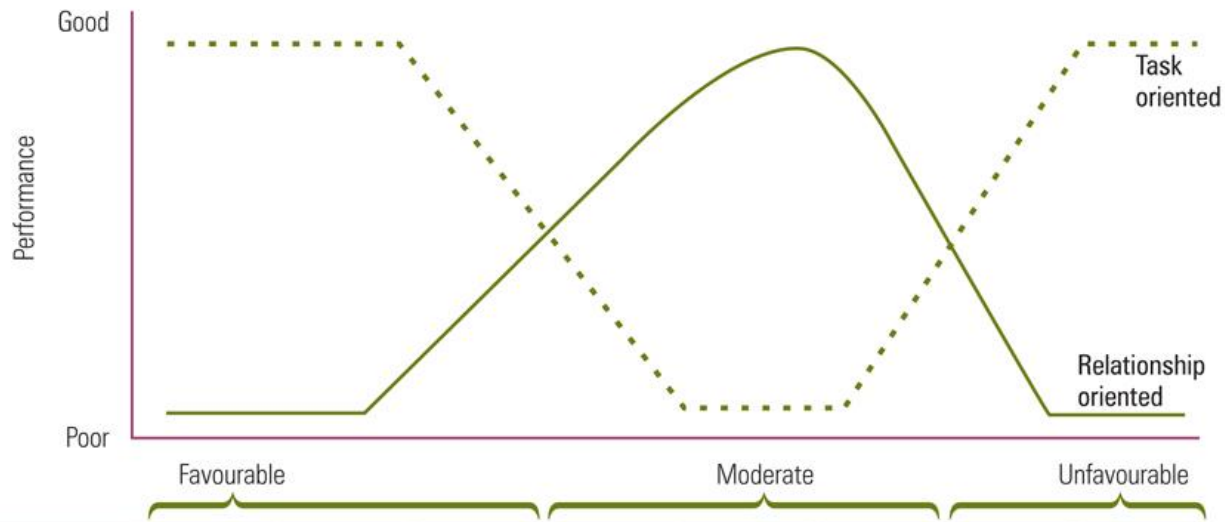
7 Habits of highly effective people:
https://www.youtube.com/watch?v=ktlTxC4QG8g

Contingency theories of leadership

- **Fiedler contingency model**
  - **match between a leader's style** of interacting with his or her **followers** and the degree to which the situation allows the leader to control and influence
    - A key factor in leadership success was an individual's basic leadership style, either task oriented or relationship oriented
    - Least-preferred co-worker (**LPC**) questionnaire.

https://www.mindtools.com/pages/article/fiedler.htm

FIGURE 18.2 Findings on the Fiedler model



Category	I	II	III	IV	V	VI	VII	VIII
Leader–member relations	Good	Good	Good	Good	Poor	Poor	Poor	Poor
Task structure	High	High	Low	Low	High	High	Low	Low
Position power	Strong	Weak	Strong	Weak	Strong	Weak	Strong	Weak

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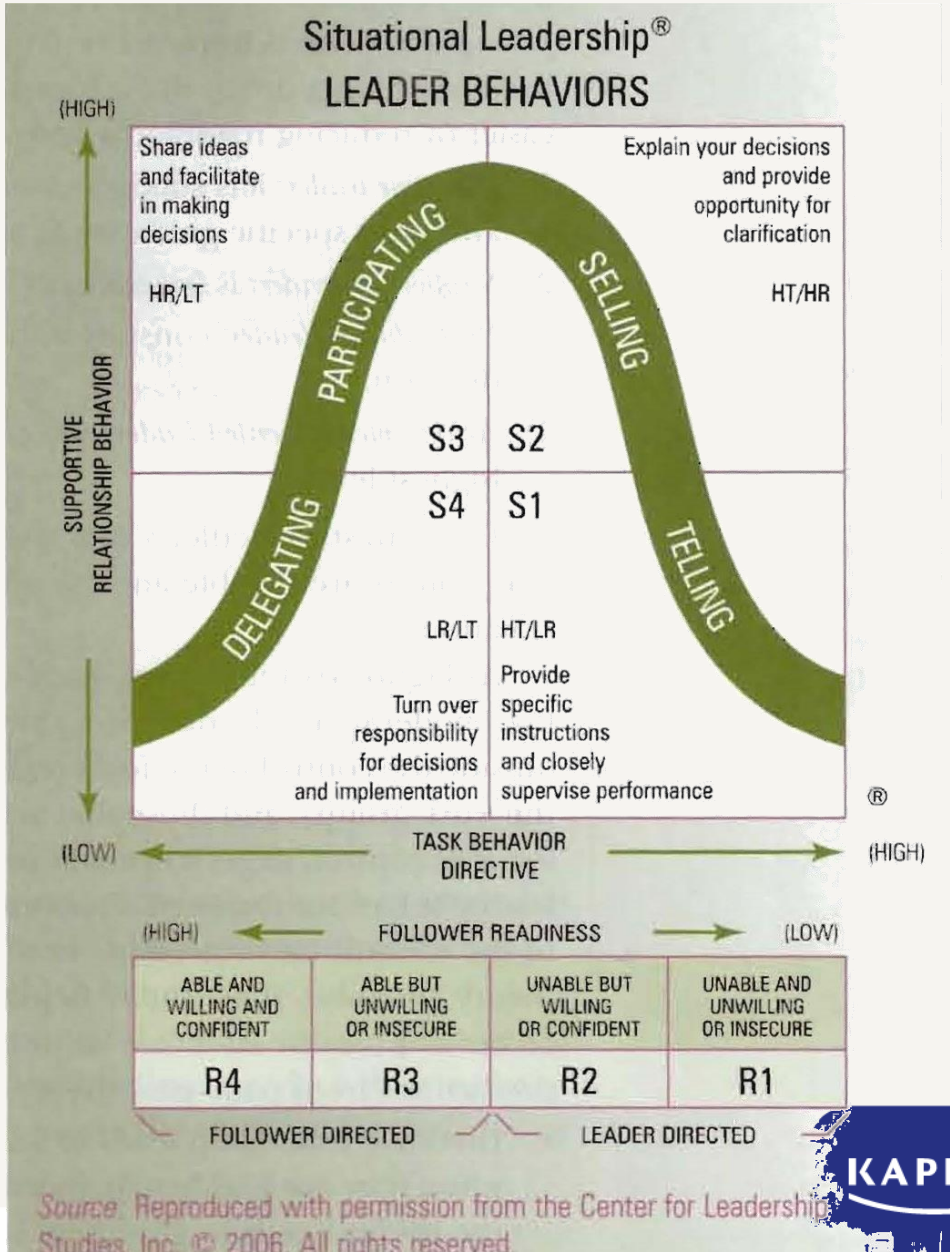
Contingency theories of leadership

- The Hersey Situational Leadership® Model (Hersey and Blanchard)
  - successful leadership is achieved by selecting the **right leadership style**, which is contingent on the level of the **followers' readiness**
    - Four specific leadership styles
    - Four stages of readiness

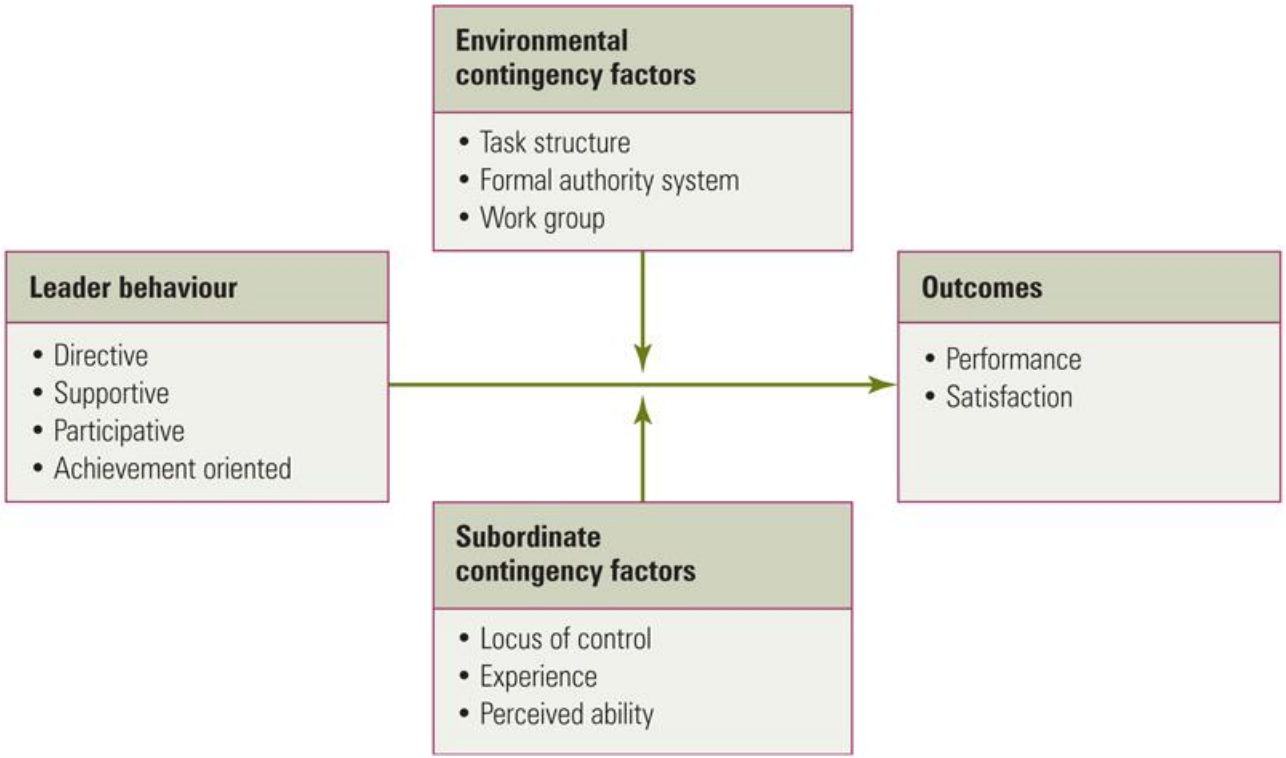
Contingency theories of leadership

[Situational Leadership: http://au.youtube.com/watch?v=M1uyU3YSqes](http://au.youtube.com/watch?v=M1uyU3YSqes)



Contingency theories of leadership

FIGURE 18.4 Path–goal theory



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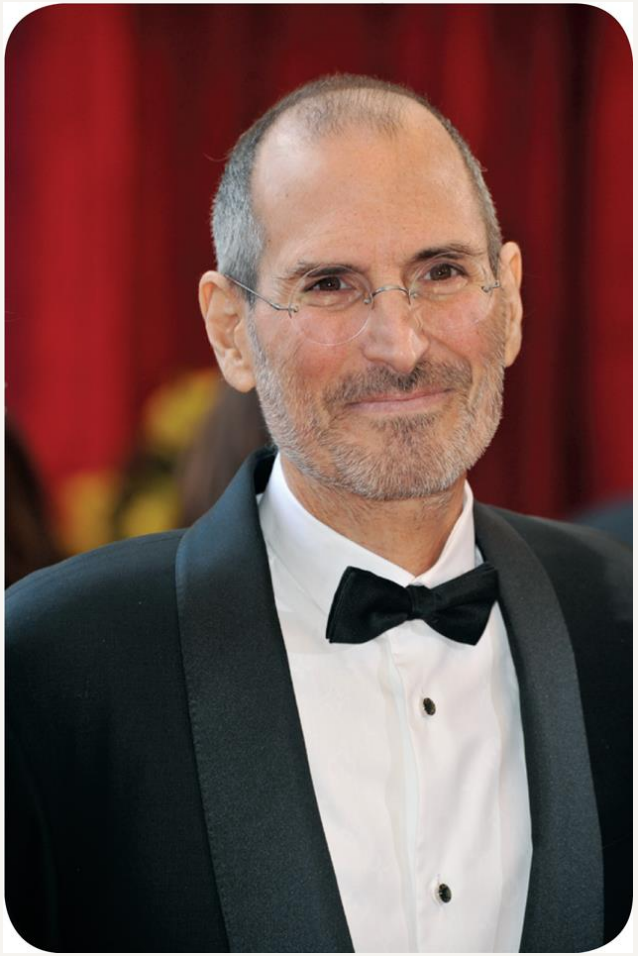

Source: © Shutterstock / Featureflash

- *Steve Jobs was an unconventional leader. He was inspiring but also very autocratic.*

Contingency theories of leadership

- The leader-member exchange theory
  - leaders create in-groups and out-groups, and that those in the in-group will have higher performance ratings, less turnover and greater job satisfaction.

Contemporary views on leadership

- Transformational–transactional leadership
  - transactional leaders
    - Leaders that lead primarily by using **social exchanges** (or transactions); guide or motivate their followers to work towards established goals by exchanging **rewards** for their productivity

Contemporary views on leadership

- transformational leaders
  - Stimulates and **inspires followers** to transcend their own self-interests for the good of the organisation to achieve extraordinary outcomes
  - Strongly correlated with lower turnover rates and higher levels of productivity, employee satisfaction, creativity, goal attainment and follower well-being

Contemporary views on leadership

- Charismatic–visionary leadership
  - an enthusiastic, self-confident leader whose personality and actions influence people to behave in certain ways
  - charismatic leadership may **not always be needed to achieve high levels of employee performance**
    - Follower's task has an ideological purpose or when the environment involves a **high degree of stress and uncertainty**

Richard Branson: https://www.youtube.com/watch?v=GPhY0rJJcDo&hl=en-GB&gl=AU

Contemporary views on leadership

- Visionary leadership
  - goes beyond charisma, since it is the ability to create and articulate a realistic, credible and attractive **vision of the future** that improves on the present situation
    - The ability to explain the vision to others
    - The ability to express the vision not just verbally but also through behaviour
    - Is the ability to extend or apply the vision to different leadership contexts

Leadership issues in the 21st century

- Leaders and power
- Developing trust
- Providing ethical leadership
- Empowering employees
- The demise of celebrity leadership
- Sustainability initiatives and ethical transformational leadership

Leadership issues in the 21st century

- Leaders and power: The capacity of a leader to influence work actions or decisions.

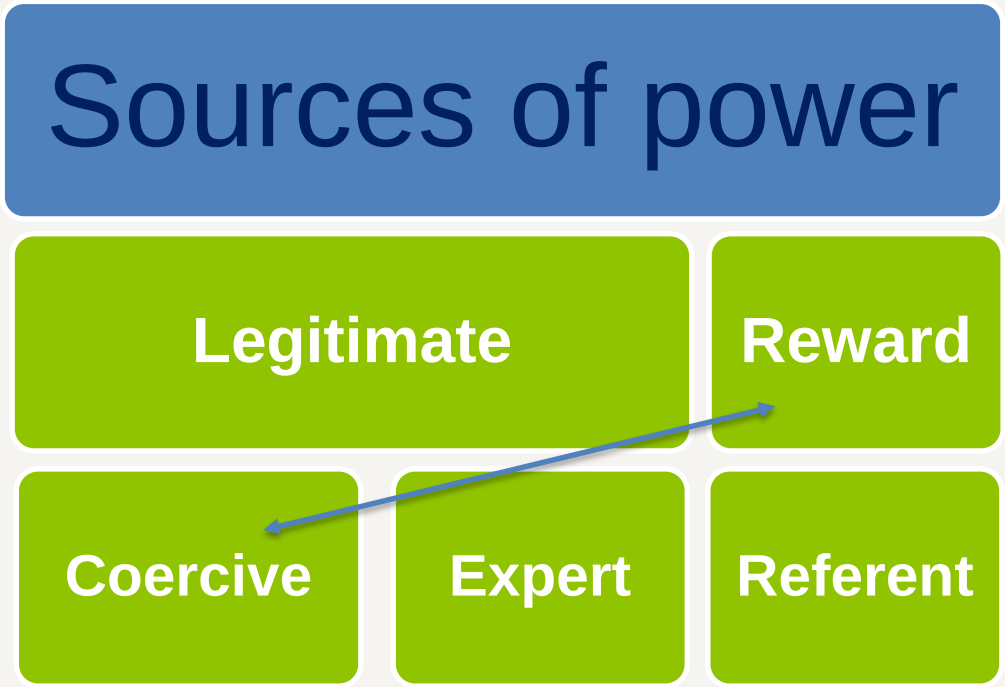

TABLE 18.3 Suggestions for building trust

Practise openness.

Be fair.

Speak your feelings.

Tell the truth.

Show consistency.

Fulfil your promises.

Maintain confidences.

Demonstrate competence.

Question

- In 2011, Tim Cook, CEO of Apple, earned a total compensation of $378 million. In other words, that is $1 million a day, “roughly $42,000 an hour. Or $700 a minute. Or $12 a second.” “Is any C.E.O. worth $1 million a day?”
- Is it OK to pay a CEO any amount, as long as the net benefit the CEO brings to the organization exceeds her/his compensation? Discuss.

Leadership issues in the 21st century

- Demise of celebrity leadership
  - controversy surrounding executive pay

Leadership issues in the 21st century

- Providing ethical leadership
  - ethics are part of leadership:
    - Moral virtue, serving others, being honest
  - reinforcing ethics through organisational mechanisms such as communication and the reward system
- Empowering employees

TABLE 18.4 Selected cross-cultural leadership findings

- Korean leaders are expected to be paternalistic towards employees.
- Arab leaders who show kindness or generosity without being asked to do so are seen by other Arabs as weak.
- Japanese leaders are expected to be humble and speak infrequently.
- Scandinavian and Dutch leaders who single out individuals with public praise are likely to embarrass, not energise, those individuals.
- Effective leaders in Malaysia are expected to show compassion while using more of an autocratic than a participative style.
- Effective German leaders are characterised by high performance orientation, low compassion, low self-protection, low team orientation, high autonomy and high participation.

Sources: Based on J.C. Kennedy, 'Leadership in Malaysia: Traditional values, international outlook', *Academy of Management Executive*, August 2002, pp. 15–17; F.C. Brodbeck, M. Frese and M. Javidan, 'Leadership made in Germany: Low on compassion, high on performance', *Academy of Management Executive*, February 2002, pp. 16–29; M.F. Peterson and J.G. Hunt, 'International perspectives on international leadership', *Leadership Quarterly*, Fall 1997, pp. 203–31; R.J. House and R.N. Aditya, 'The social scientific study of leadership: Quo vadis?', *Journal of Management*, Vol. 23, No. 3, 1997, p. 463; and R.J. House, 'Leadership in the twenty-first century', in A. Howard (ed.), *The Changing Nature of Work* (San Francisco: Jossey-Bass, 1995), p. 442.

TABLE 18.5 Representation of women in senior management positions, 2013

COUNTRY	PERCENTAGE	COUNTRY	PERCENTAGE
Philippines	53	South Africa	30
United States	43	Malaysia	25
New Zealand	40	Thailand	24
France	39	Sri Lanka	24
Australia	37	Vietnam	22
Canada	37	Indonesia	21
Brazil	36	China	17
United Kingdom	35	Korea	10
Sweden	32	Japan	9
Singapore	31	India	3
Germany	30	Pakistan	3

Source: Y. Bekhouche, R. Hausmann, L.D. Tyson and S. Zahidi, 'Legislators, senior officials and managers', *The Global Gender Gap Report 2013* (Geneva: World Economic Forum).

FIGURE 18.6 Where female managers do better: A scorecard

Where female managers do better:
a scorecard

None of the five studies set out to find gender differences. They stumbled on them while compiling and analysing performance evaluations.

Skill (Each tick denotes which group scored higher on the respective studies)	MEN	WOMEN
Motivating others		✓ ✓ ✓ ✓ ✓
Fostering communication		✓ ✓ ✓ ✓*
Producing high-quality work		✓ ✓ ✓ ✓ ✓
Strategic planning	✓ ✓	✓ ✓*
Listening to others		✓ ✓ ✓ ✓ ✓
Analysing issues	✓ ✓	✓ ✓*

*In one study, women's and men's scores in these categories were statistically even.
Data: Hagberg Consulting Group, Management Research Group, Lawrence A. Pfaff, Personnel Decisions International Inc., Advanced Teamware Inc.

Source: R. Sharpe, 'As leaders, women rule', *BusinessWeek*, 20 November 2000, p. 75. Used with permission of Bloomberg L.P. Copyright © 2014. All rights reserved.

https://www.youtube.com/watch?v=WH5V40qTig0

Becoming an effective leader

- Substitutes for leader
  - certain individual, job and organisational variables can act as 'substitutes for leadership', negating the influence of the leadership
    - Experience,
    - Training,
    - Professional orientation or need for independence.

A most inspirational video:
https://www.youtube.com/watch?v=B7r7YY_EO0A

Tutorial

- Let’s choose 3 leaders